

Re: Celsius Network LLC, Case Number: 22-10964 (MG)  
Southern District of New York

7/19/2022

Honorable Martin Glenn;

I am writing to you today as one of the thousands of unsecured creditors in the Celsius case who listened to the promises of Alex Mashinsky and transferred my entire retirement and life savings into Celsius in order to receive yield. I did this because I was led to believe that this was a safe alternative to a bank savings account. Alex Mashinsky told us, whereas banks charge customers up to 29.9% interest on credit card debt using customer money and keep all of it for themselves, with Celsius we share the interest with you and eliminate the risk; the customer receives 80% and Celsius keeps 20% and all the while our crypto grows in value as we HODL. Note he referred to them as our coins, not his. Furthermore, we were assured that Celsius only lends to carefully vetted institutions and the like, that every loan is over collateralized so that should a party default, our funds would be fully protected. Alex proudly told us, that in the history of the company, no one had defaulted on a loan. In addition, they had already survived a bear market and were also in regulatory compliance, the only ones. He stated he was there for the little guy, to offer the little guy a way to financial freedom. What could go wrong I and thousands of others thought?

It was devastating to learn, when withdrawals were stopped on June 12th and the truth started to come out, that they took my carefully accumulated life savings, part of which were the proceeds from the family home I had just sold in late 2020 in preparation for a downsized retirement, and recklessly exposed them to enormous risk, mismanagement and loss. To learn that, by the time I first sent my funds, in May/June 2021, there was potentially already a huge "hole" in the books that was being covered up and that my funds were doomed from the outset. That the private keys to a large amount of ETH had been lost, meaning those coins cannot ever be retrieved. That the promises and claims Alex Mashinsky had been making in his weekly AMAs, and that I had been watching religiously for a year, were clearly false and fraudulent. Alex totally misrepresented what his customers were getting into and obfuscated the terms of service. Had I realized that this was more like a high risk hedge fund than a safe savings account, I would never have sent my precious coins to Celsius and certainly would never have agreed to transfer title to them. I petition that those terms of service about transfer of title to Celsius should be waived because of the many statements Alex made directly to us, his customers, through the weekly AMAs. I think I speak for all the little guys when I say, we just want our crypto back.

Today, not many months from retirement, I face financial ruin and a very bleak future if those funds are not made whole to me again and in kind. I divided my investment between a US dollar stable coin USDC to earn high yield now to live on; and some pristine cryptos that have an incredible upside potential, in the next five to ten years, to grow to several million dollars to keep me in my old age and to pass on to my children. I do not wish to convert my crypto into US dollars at the price it was yesterday, the first day of the hearing, when we are in the depths of a crypto winter to fill in Form 410 Proof of Claim. It would lock in huge loss to convert to dollars right now and add insult to injury.

I humbly ask your Honor that all unsecured creditors be able to receive their funds back in the crypto they sent to Celsius and that title to our coins and life savings be restored. May this letter serve as my Proof of Claim in lieu of Form 410.

Thank you for your consideration,  
Rebecca Gallagher